

Message Text

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TAGS: PFOR, EFIN, ECON, PINT, MZ

SUBJECT: FRELIMO MILITANT GOVERNMENT MEMBER INTERVIEWED

SUMMARY: TRANSITIONAL GOVT. SECRETARY OF STATE FOR LABOR AND FRELIMO MILITANT JOSE LUIS CABACO GAVE WIDE-RANGING OFF-THE-RECORD INTERVIEW TO NY TIMES EDITORIAL WRITER GRAHAM HOVEY, WITH PAO SITTING IN. FOLLOWED REASONABLE LINE CHARACTERISTIC OF CHISSANO GOVERNMENT. PROVIDED DETAILS RE ECONOMY, WHITE EXODUS, NATIONALIZATION POLICY AND FOREIGN RELATIONS.

1. FRELIMO CONTROL - CABACO SAID FRELIMO HAS COME A LONG WAY TOWARD CONSOLIDATING ITS POSITION THROUGHOUT MOZAMBIQUE.

"COMITESIDE ESCLARECIMENTO" (ENLIGHTENING COMMITTEES) HAVE DONE EXCELLENT JOB OF RAISING "CONSCIOUSNESS LEVEL" OF PEOPLE

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IN ALL PARTS OF COUNTRY.

2. ECONOMY - GOVT. HAS INHERITED SICK ECONOMY AND UNCERTAINTY HAD MADE THINGS WORSE OVER PAST MONTHS. BANKS WHICH HAD DEPOSITS OF 9 MILLION ESCUDOS HAD LIQUIDITY REDUCED BY HALF WHEN PEOPLE BEGAN WITHDRAWING THEIR MONEY IN 1974. OF 1,300 INDUSTRIES IN MOZAMBIQUE, ONLY 20 WERE REALLY VIABLE. THE REST WERE EXAMPLES OF "COLONIALIST ABUSE", WHERE EXPENSIVE RAW MATERIALS AND SEMI-FINISHED GOODS WERE IMPORTED TO TAKE ADVANTAGE OF CHEAP LABOR. WHEN CONDITIONS CHANGED AND WAGES WERE RAISED, MANY OF THESE COMPANIES FOLDED. ON POSITIVE SIDE ONLY FIVE COMPANIES WENT UNDER IN JANUARY, MUCH LOWER NUMBER THAN IN DECEMBER AND NOVEMBER. GOVT. WAS PAYING CLOSE ATTENTION TO EMPLOYMENT, CITING CASE OF CASHEW FIRM LAYING OFF 500 EMPLOYEES AS RESULT OF LONG-PLANNED MECHANIZATION PLAN, "UNFORTUNATE TIMING". ONE GOVT. PRIORITY IS TO REVERSE TREND OF PEOPLE FLOCKING TO CITIES, BY ELEVATING STATUS OF FARMERS, PROVIDING MOBILE FILM SHOWINGS IN RURAL AREAS, BETTER GOVERNMENT-CONTROLLED FOOD DISTRIBUTION.

3. WHITE EXODUS - CABACO SAID EXODUS HAD BEEN GOING ON EVEN BEFORE APRIL, 1974. CITED STATISTICS OF NET LOSSES OF WHITES AS FOLLOWS: 1971 - 5,000; 1972 - 7,000 AND 1973 - 17,000. HIS ESTIMATES OF WHITES HAVING LEFT SINCE JANUARY, 1974 - 30,000. CABACO SAID GOVT. CONSIDERS THAT 100,000 WHITES REMAIN IN MOZAMBIQUE TODAY.

4. CONSTRUCTION CRISIS - CABACO POINTED OUT THAT TRADITIONALLY PEOPLE HAVE INVESTED IN LAND AND PROPERTY IN MOZAMBIQUE. 95 PERCENT OF CIVIL CONSTRUCTION HAS BEEN PRIVATE. UNCERTAINTY AND LACK OF CREDIT HAD BROUGHT CONSTRUCTION TO STANDSTILL.

5. FUTURE ECONOMIC SYSTEM OF MOZAMBIQUE - IN ANSWER HOVEY QUESTION RE ECONOMIC SYSTEM FRELIMO ENVISAGED FOR MOZAMBIQUE, CABACO SAID OBVIOUSLY NEW GOVT. WOULD HAVE TO EXERT CONTROL OVER CERTAIN SECTORS OF ECONOMY. FOREIGN INVESTMENT WAS WELCOME AS LONG AS IT OBEYED LAWS SET DOWN BY GOVT AS TO FIXING LIMITS, AMOUNTS OF PROFITS TO BE REPATRIATED, ETC. CABACO SAID, "WITHOUT REPATRIATION OF PROFITS, THERE WOULD BE NO FOREIGN CAPITAL. THAT IS THE PRICE PAID FOR TECHNOLOGY".

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6. MULTINATIONALS - TWO OPTIONS FOR DEVELOPING COUNTRY WERE:
(1) ALLOW CAPITALIST COMPANY TO COME IN AND TAKE OVER; OR
(2) DETERMINE WHICH COMPANIES WILL COME IN, KINDS OF TECHNOLOGY NEEDED, HOW MUCH INVESTMENT WILL BE ALLOWED, AND WHAT GROUND RULES WILL BE. FRELIMO WILL FOLLOW LATTER POLICY. (CABACO RECALLED BEING IMPRESSED BY ITT PLANT IN ZAMBIA IN 1974 WHERE EVERYBODY FROM MANAGER ON DOWN WAS BLACK.)

7. ALIGNMENT - CABACO STRESSED THAT MOZAMBIQUE'S EXPERIENCE IS VERY ORIGINAL. WHILE EASTERN BLOCK COUNTRIES WERE HELPFUL DURING TEN YEAR STRUGGLE, MOZAMBIQUE DID NOT ENGAGE IN THAT FIGHT TO NOW GIVE UP ITS INDEPENDENCE TO EITHER THE EAST OR THE WEST, BY HAVING TO RELY ON ANYONE.

8. SOUTH AFRICA - CABACO, WHEN ASKED TO PREDICT HOW MOZAMBIQUE WILL GET ALONG WITH SOUTH AFRICA, SAID HE THOUGHT CHANGE WAS COMING TO THAT COUNTRY SO THAT RELATIONS COULD REMAIN FRIENDLY. IN HIS PERSONAL OPINION VORSTER WAS BUYING TIME WITH HIS POSITIVE ACTIONS IN RHODESIA AND CONCILIATORY STATEMENTS ON NAMIBIA. IF CHANGE OCCURS IN SOUTH AFRICA THERE WERE MANY REASONS WHY IT AND MOZAMBIQUE WILL REMAIN CLOSELY TIED -- THE 120,000 MINE WORKERS (HE SAID THEY WILL CONTINUE TO BE SENT TO SOUTH AFRICA), CABORA BASSA WILL PRODUCE 10 PERCENT OF SA'S POWER OUTPUT (WITHOUT WHICH THAT COUNTRY'S ECONOMY CANNOT CONTINUE TO GROW), AND HEAVY VOLUME OF TRADE.

9. SAMORA MACHEL - RE MACHEL'S "ROAD TO SOCIALISM" RHETORIC, CABACO ADVOCATED TAKING CLOSE LOOK AT MACHEL'S WRITING WHICH INDICATES NOTHING ABOUT NATIONALIZATION OF INDUSTRIES, WHICH NOT NECESSARY BECAUSE GOVT. ALREADY CONTROLS OVER 65 PERCENT OF CREDIT AND WILL HAVE HEAVY INFLUENCE IN DIRECTING ECONOMY THROUGH BANKING SYSTEM.

10. FUTURE OUTLOOK - CABACO SAID NEXT TWO YEARS WOULD PROBABLY BE ROUGH BUT AFTER THAT MOZAMBIQUE'S FUTURE IS PROMISING. HE POINTED TO BASICALLY STRONG ECONOMIC INFRASTRUCTURE, WITH GOOD AIRPORTS, HARBORS, PORT FACILITIES, ROADS, RAILROADS, THE COAL MINES, CEMENT AND CABORA BASSA.
WALKER

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